

Gold & Silver

Happy Days are here again for U.S. Gold

By: Dorothy Kosich

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RENO--(Mineweb.com) Forgive the never-say-die northern Nevada gold exploration geologists if they do a little cheering and spruce up their IR presentations a wee bit.

Goldcorp Chairman Rob McEwen's come to town, and things are definitely looking up for junior miners and explorationists toiling on the claims of the Cortez Gold Trend. And where McEwen decamps, his loyal retail and institutional investment followers are probably not far behind.



But, don't hail the conquering hero of the junior mining set, yet. Vancouver-based junior miner NovaGold President and CEO Rick Van Nieuwenhuyse, a former Placer Dome manager, has also come to town offering tribute to the soon to be happily retired founders of U.S. Gold in the form of a \$2.7 million share transaction.

McEwen has a long history with U.S. Gold's Tonkin Springs neighbor, White Knight Resources. After McEwen merged Goldcorp with Wheaton River earlier this year, he handed over the CEO's job of the company he led for 18 years to successor Ian Telfer. McEwen allowed his investment side to re-emerge with a vengeance as he purchased 14.7% of the common shares of White Knight Resources. It also gave him presumably more access to one of the gurus of the geology of the Cortez Trend, White Knight Vice President of Exploration Robert G. Cuffney.

White Knight has been busy staking additional unpatented mining claims in the trend, increasing their land position to more than 27,000 acres. It currently claims the second largest land holding in the Cortez trends, including 15 properties. But, why stop there?

Denver-based U.S. Gold has been struggling on and off for years with its Tonkin Springs property, expending the bulk of their money on its operations. As a result, the exploration potential of the 36-square mile property, which is also a neighbor of Placer Dome's Cortez Hills discovery, has never been fully realized. "Tonkin Springs has an existing gold

resource of 1.4 million ounces within the upper 250 feet over a relatively small area of the property," McEwen said in a recent news release. "The exploration potential of this property has increased over the past few years as Placer Dome, which adjoins our property to the north, has continued to discover several multi-million ounce gold deposits. ...Tonkin Springs in a great asset and I intend to aggressively explore this interesting property."

Faster than one can exclaim, "knife" McEwen has purchased 33.3% of the shares of U.S. Gold for \$4 million, assuming control of the company. Four of the six current directors of U.S. Gold have agreed to resign from the board and be replaced with McEwen nominees. McEwen has announced it will assume the role of Chairman and CEO shortly after outgoing President William Reid and his brother David leave the company.

For those wondering about McEwen's influence at Cortez Trend neighbor White Knight, allow Mineweb to present Exhibit A. The newly appointed Vice President of Development for White Knight Resources announced a "Lower Plate Challenge" on June 15th. In order to win a trip to Las Vegas for a weekend, complete with \$1,000 bucks of spending money, contestants must visit the White Knight Resources website and pick as to where the Lower Plate will be intersected on one of the company's three applicable drill programs. These are the rocks may host Carlin-type gold deposits.

For devotees of Goldcorp's promotional campaigns, the contest appears to be pure McEwen-esque at its best.

Unfortunately, McEwen's lust for all things Cortez Trend spoiled Romarco and Western Goldfields' plans to merge with U.S. Gold. The three-way is off.

But, aha! Another spoiler may be in the offing. NovaGold acquired 5,374,544 shares for 16% of U.S. Gold's stock in apparent negotiated transactions with existing shareholders, who must be deliriously happy after months in the cellar. In an interview with *Mineweb* Tuesday, McEwen admitted he had no idea what NovaGold is up to. Nevertheless, *Mineweb* suggests readers keep in mind Van Nieuwenhuyse's former and present ties to Placer Dome.

Somewhere on the sidelines, Teck Cominco America just happens to be preparing to drill on the Fye Canyon property, south of the Cortez Joint Venture Cortez Hills-Pediment gold discovery.

Those old-time Nevada families who patiently sat on their Cortez Trend claims for years before there was officially a trend have got to be thrilled as McEwen, NovaGold, and company redirect the investment spotlight to where it rightfully belongs.